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SUBJECT: DOMINICAN POLITICS III #16: VARGAS MALDONADO
CAMPAIGN - POLITICAL DIRECTOR DISCUSSES PRIMARY AND
UPCOMING PRESIDENTIAL ELECTION

11. (U) This is the 16th cable in our series on Dominican
politics in the third year of the administration of President
Leonel Fernandez.

VARGAS MALDONADO CAMPAIGN - POLITICAL DIRECTOR DISCUSSES
PRIMARY AND UPCOMING PRESIDENTIAL ELECTION

(SBU) Alfredo Pacheco, the Political Director for Dominican
Revolutionary Party (PRD) presidential candidate Miguel
Vargas Maldonado, is upbeat following a smooth primary
campaign that led to Vargas' nomination. Receiving POLOFF at
his private office on February 6, Pacheco, a former Speaker
of the House, contrasted last month's primaries with the
severe intra-party disputes in 2004 and 2006 -- disputes that
Pacheco blamed for the PRD's devastating losses in the last
two elections. When POLOFF noted the use of term "New PRD"
in a recent advertisement, Pacheco said that -- as the party
approaches the 2008 presidential contest -- it was precisely
the rancor and failures of 2002 and 2004 that the party
wished to put behind it with the use of the new slogan.

(SBU) Pacheco said that the PRD will now re-organize Vargas'
campaign staff so that supporters of his challenger in the
primaries, former Vice President MilAGROS Ortiz Bosch, can be
included. Pacheco viewed Ortiz's concession on the night
that the primary results were announced as very positive.
"it is rare in Dominican politics for a rival to concede so
quickly."

(C) Assessing his party's main rival, President Fernandez's
Dominican Liberation Party (PLD), Pacheco argued that the PRD
held an advantage by having already chosen its candidate. In
contrast, the PLD faces a potentially divisive primary
process, given the strong candidacy of Fernandez's former

Chief of Staff Danilo Medina. Pacheco believes that Fernandez will secure the nomination, but that the campaign will cause "many wounds" to the President and the PLD. Turning to campaign themes, Pacheco listed seven issues (albeit with limited detail at this early stage):

-- The economy: While economic growth is strong, the common man continues to struggle to make ends meet.

-- Re-election: Because of Dominican history (i.e., the decades-long authoritarian rule of Trujillo and of Balaguer), the PRD opposes the practice of re-election, whether that of President Fernandez or of another president in the future. (Note: This position is a sharp change of course for the PRD, given that then-President Mejia ran for re-election in 2004.)

-- The budget: The Fernandez administration has raised taxes on three occasions, yet continues to underspend on health and education while overspending on the Santo Domingo Metro project.

-- Constitutional reform: While not opposed to the President's effort to amend the constitution, the PRD will insist that changes be made by a specially elected Constituent Assembly, not the current Congress dominated by the PLD.

-- Free trade: The Fernandez Administration has failed to complete DR-CAFTA regional free trade agreement with the United States. A Vargas government would finish the task, as well as consider an additional accord with the European Union.

-- Haitian immigration: Haitians are a drain on the country

-- "We have to produce for our own people and for them."

-- The energy sector: The Fernandez administration has not delivered the energy sector reform it promised.

(C) Comment: Pacheco is a key player in the PRD, and it was clear that he believes considerable change is needed for his party to reclaim its former electoral prowess. Central to that effort, in the Embassy's opinion, will be distancing the party from former President Mejia, who led the PRD to defeats in 2004 and 2006. When asked about Mejia, Pacheco allowed a broad, somewhat nervous smile to emerge. "Mejia says he's retired -- we'll see if that's the truth." Regarding campaign themes, the Embassy will be interested to see if the PRD confounds history by moving from soundbites to concrete policy proposals as the campaign season continues. We are concerned, if not surprised, to hear that the Haitian bogeyman will again be trotted out for the election, and we will follow that issue with particular attention.

12. (U) Drafted by Peter Hensch.

13. (U) This piece and others in our series can be consulted at our SIPRNET web site (<http://www.state.sgov.gov/p/wha/santodomingo>) along with extensive other material.
HERTELL